

Safety & Environmental Enforcement, Interior

§250.1301

(b) *What are the requirements for a periodic well test used for allocation?* You must:

(1) Conduct a well test at least once every 60 days unless the Regional Supervisor approves a different frequency. When a force majeure event precludes the required well test within the prescribed 60 day period (or other frequency approved by the Regional Supervisor), wells must be tested within 15 days after being returned to production. Thereafter, well tests must be conducted at least once every 60 days (or other frequency approved by the Regional Supervisor);

(2) Follow the well test procedures in 30 CFR part 250, subpart K; and

(3) Retain the well test data at the field location for 2 years.

§250.1205 Site security.

(a) *What are the requirements for site security?* You must:

(1) Protect Federal production against production loss or theft;

(2) Post a sign at each royalty or inventory tank which is used in the royalty determination process. The sign must contain the name of the facility operator, the size of the tank, and the tank number;

(3) Not bypass BSEE-approved liquid hydrocarbon royalty meters and tanks; and

(4) Report the following to the Regional Supervisor as soon as possible, but no later than the next business day after discovery:

(i) Theft or mishandling of production;

(ii) Tampering or bypassing any component of the royalty measurement facility; and

(iii) Falsifying production measurements.

(b) *What are the requirements for using seals?* You must:

(1) Seal the following components of liquid hydrocarbon royalty meter installations to ensure that tampering cannot occur without destroying the seal:

(i) Meter component connections from the base of the meter up to and including the register;

(ii) Sampling systems including packing device, fittings, sight glass, and container lid;

(iii) Temperature and gravity compensation device components;

(iv) All valves on lines leaving a royalty or inventory storage tank, including load-out line valves, drain-line valves, and connection-line valves between royalty and non-royalty tanks; and

(v) Any additional components required by the Regional Supervisor.

(2) Seal all bypass valves of gas royalty and allocation meters.

(3) Number and track the seals and keep the records at the field location for at least 2 years; and

(4) Make the records of seals available for BSEE inspection.

Subpart M—Unitization

§250.1300 What is the purpose of this subpart?

This subpart explains how Outer Continental Shelf (OCS) leases are unitized. If you are an OCS lessee, use the regulations in this subpart for both competitive reservoir and unitization situations. The purpose of joint development and unitization is to:

(a) Conserve natural resources;

(b) Prevent waste; and/or

(c) Protect correlative rights, including Federal royalty interests.

§250.1301 What are the requirements for unitization?

(a) *Voluntary unitization.* You and other OCS lessees may ask the Regional Supervisor to approve a request for voluntary unitization. The Regional Supervisor may approve the request for voluntary unitization if unitized operations:

(1) Promote and expedite exploration and development; or

(2) Prevent waste, conserve natural resources, or protect correlative rights, including Federal royalty interests, of a reasonably delineated and productive reservoir.

(b) *Compulsory unitization.* The Regional Supervisor may require you and other lessees to unitize operations of a reasonably delineated and productive reservoir if unitized operations are necessary to:

(1) Prevent waste;

(2) Conserve natural resources; or